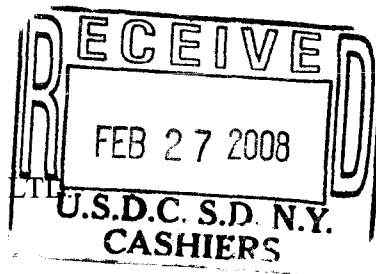


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ATTORNEYS FOR PLAINTIFF  
COSCOL (HK) INVESTMENT & DEVELOPMENT CO., LTD.



UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

COSCOL (HK) INVESTMENT &  
DEVELOPMENT CO., LTD.,

Plaintiff,

-against-

ESCOPETA OIL & GAS CORPORATION,

Defendant.

08 Civ. 0864 - DC

**VERIFIED FIRST AMENDED**  
**COMPLAINT**

Plaintiff, COSCOL (HK) Investment & Development Co., Ltd. ("Plaintiff" or "COSCOL"), by and through its attorneys, Tomaselli & Co., for its verified first amended complaint against Escopeta Oil & Gas Corp. ("Defendant" or "Escopeta"), alleges, upon information and belief, as follows:

1. This is a case of admiralty and maritime jurisdiction under 28 U.S.C. § 1333 as hereinafter more fully appears and is a maritime claim within the meaning of Rule 9(h) of the Federal Rules of Civil Procedure.

2. At all times material herein, plaintiff COSCOL was and is a business entity organized and existing under the laws of the Hong Kong Special Administrative Region of the

People's Republic of China with a place of business at Room 4002, 40/F, COSCO Tower, 1B3 Queen's Road Central, Hong Kong.

3. Upon information and belief, at all times material herein, Escopeta is a business entity having a place of business located at 5005 Riverway, Suite 440, Houston, Texas 77058.

4. In February 2006, COSCOL and Escopeta entered into a voyage charter party whereby Escopeta chartered the semi-submersible vessel *TAI AN KOU* (the "Vessel") to Escopeta under a HEAVYCON charter party form for a voyage from one safe and suitable loading location, Sabine Pass, USA, to one safe and suitable discharging location, Cooks Inlet, USA (the "Charter"). A true and correct copy of the Charter is annexed as Exhibit 1.

5. The Charter provided that COSCOL would be paid \$4,310,000.00 in freight for transporting the vessel *TELLUS* on the Vessel, which is a heavy lift vessel.

6. On April 7, 2006, COSCOL and Escopeta entered into Addendum #1 of the Charter, which amended the routing of the Vessel and increased the freight payable to COSCOL to \$4,710,000.00. A true and correct copy of Addendum #1 is annexed as Exhibit 2.

7. In June 2006, COSCOL presented the Vessel to Escopeta in accordance with the Charter. The Vessel stood by awaiting instructions from Escopeta for five days until Escopeta expressly discharged the Vessel because the *TELLUS* was not ready.

8. Clause 20.2 of Part II of the Charter provides Escopeta the right to cancel performance under the Charter by paying COSCOL a termination fee specified in the Charter. Rather than terminate the Charter, however, Escopeta renegotiated the terms of the Charter to have the Vessel return to perform the requested carriage of the *TELLUS* later in 2006.

9. Escopeta subsequently requested that COSCOL make the Vessel available during the *TELLUS'* next loading window. COSCOL agreed to do so on the condition that Escopeta

enter another addendum, to which condition Escopeta agreed. Addendum #4 to the Charter, reflecting these changes, was executed on July 21, 2006. Addendum #4 provided that Escopeta would pay between \$4,779,000.00 and \$5,179,000.00 (depending upon the ultimate route selected) without regard to whether the freight actually was carried. A true and correct copy of Addendum #4 is annexed as Exhibit 3.

10. Escopeta once again requested that COSCOL agree to a revision of the Charter because the TELLUS would not be ready during the agreed loading window. On or about October 11, 2006, Addendum #5 to the Charter was executed between COSCOL and Escopeta. A true and correct copy of Addendum #5 is annexed as Exhibit 4. Addendum #5 to the Charter provides:

The total amount due paid in full by Charterers [Escopeta] to Owners [COSCOL] by October 20, 2006 is USD 4,915,875.00. If the total amount is not paid by October 20, 2006, Owners have the option to terminate the Contract [Charter].

Addendum #5, Paragraph 5. The payment provided in paragraph 5 of Addendum #5 covered damages suffered by COSCOL resulting from the previous delays, and was in addition to freight to be paid to COSCOL for carrying the *TELLUS*.

11. COSCOL has performed its obligations under the Charter and under Addendum #5. Escopeta, however, has refused to pay the \$4,915,875.00 as required by Addendum #5, despite Escopeta's admission that it owes COSCOL this amount.

12. Indeed, Escopeta has brought an indemnification claim against its contractual partner(s) Songa Management, Inc. Songa Drilling AS, Songa Drilling Pte Ltd. and Songa Offshore ASA (collectively "Songa") for the amounts that Escopeta owes COSCOL under the Charter and its Addendum #5, which claims Escopeta filed in Texas state court against Songa in

a matter entitled *Escopeta Oil & Gas Corporation v. Songa Management, Inc. et al., Cause No. E-177,288* (the "Texas Proceeding").

13. COSCOL intervened into the Texas Proceeding in order to preserve its claims against Escopeta.

14. COSCOL intervened in the Texas Proceeding because, amongst other reasons, COSCOL has determined through investigation that Escopeta appears to have no other assets to its name other than the claim that it possesses against Songa.

15. As part of the Texas Proceeding, COSCOL, Escopeta and Songa participated in mediation, as a result of which Escopeta and Songa have reached a settlement agreement on Escopeta's claims, by the terms of which settlement Songa and/or its affiliates and/or paying agents will be effecting payment to Escopeta and/or to its payment agents for the benefit of Escopeta within the next few weeks.

16. Upon information and belief, the payment of these settlement funds for the benefit of Escopeta will be made by one or more of the following Songa entities:

- a. Songa Management, Inc.;
- b. Songa Drilling AS a/k/a Songa Drilling ASA, now known as KCA Deutage Offshore AS a/k/a KCA Deutage Offshore ASA;
- c. Songa Drilling Pte Ltd., now known as KCA Deutage Pte Ltd.;
- d. Songa Offshore ASA a/k/a Songa Offshore AS; and/or
- d. the Abbott Group, plc.

17. Upon information and belief, the payment of these settlement funds to Escopeta will be made to one or more of the following entities as payment agents for the benefit of Escopeta:

- a. Escopeta Oil & Gas Corporation;
- b. Joseph F. Archer, P.C. or Joe Archer or Joseph F. Archer, P.C. IOLTA Account (counsel for Escopeta);
- c. Mehaffy Weber, P.C. or Mehaffy Weber, P.C. IOLTA Account (counsel for Escopeta);
- d. Ernest W. Boyd or Butch Boyd or Ernest W. Boyd IOLTA Account (counsel for Escopeta);
- e. Chamberlain, Hrdlicka, White, Williams & Martin, P.C. or Chamberlain, Hrdlicka, White, Williams & Martin, P.C. IOLTA (counsel for Songa);
- f. Lyman, Twining, Weinberg & Ferrell, P.C. or Lyman, Twining, Weinberg & Ferrell, P.C. IOLTA Account (counsel for Songa)
- g. Daniel S. Davis (aka Danny Davis); and/or
- h. Centurion Gold Holdings, Inc.

18. As a result of Escopeta's breaches of the Charter and its addenda, COSCOL has suffered damages in the amount of \$4,915,875.00.

19. Upon information and belief, two years time will have passed between the time when Escopeta breached the Charter and the time when COSCOL will prosecute this claim against Escopeta to its completion. Part I, Clause 27 and Part II, Clause 32 of the Charter provide that the Charter is governed by English law. Under English law and London arbitration (as called for in the underlying charter party), COSCOL is entitled to receive its interest, expenses and reasonable attorneys' fees for prosecuting its claims to completion. The estimated amount of interest (calculated at the contractual rate of 18% per annum) and attorneys' fees is estimated to be \$2,019,715.00 as set forth below:

|                                  |   |
|----------------------------------|---|
| Interest:                        | \$1,769,715.00 (\$4.9 million x 0.18/year x 2 yrs.) |
| <u>Attorneys' Fees/Expenses:</u> | <u>\$ 250,000.00</u>                                |

|        |                |
|--------|----------------|
| Total: | \$2,019,715.00 |
|--------|----------------|

20. Therefore, as a result of the foregoing and Escopeta's breach of its obligations under the Charter, COSCOL has suffered damages in the amount of **\$6,935,590.00**, including estimated interest, attorneys' fees and expenses.

21. Upon information and belief, Escopeta is not found within the Southern District of New York but does have assets, good or chattels that are or will be located within the jurisdiction, including but not limited to the aforementioned settlement proceeds from the settlement of the dispute between Escopeta and Songa, including but not limited to such funds situated in the bank account(s) of or being routed to the defendant Escopeta Oil & Gas Corporation and/or parties who are acting as the paying and/or payment agents for Escopeta and/or are sending and/or receiving funds for the benefit of defendant Escopeta, including but not limited to: (a) Songa Management, Inc.; (b) Songa Drilling AS; (c) Songa Drilling ASA; (d) KCA Deutage Offshore AS; (e) KCA Deutage Offshore ASA; (f) Songa Drilling Pte Ltd.; (g) KCA Deutage Pte Ltd.; (h) Songa Offshore ASA; (i) Songa Offshore AS; (j) Abbott Group, plc.; (k) Joseph F. Archer, P.C.; (l) Joe Archer; (m) Joseph F. Archer, P.C. IOLTA Account; (n) Mehaffy Weber, P.C.; (o) Mehaffy Weber, P.C. IOLTA Account; (p) Ernest W. Boyd; (q) Butch Boyd; (r) Ernest W. Boyd IOLTA Account; (s) Chamberlain, Hrdlicka, White, Williams & Martin, P.C. (t) Chamberlain, Hrdlicka, White, Williams & Martin, P.C. IOLTA Account; (u) Lyman, Twining, Weinberg & Ferrell, P.C.; (v) Lyman, Twining, Weinberg & Ferrell, P.C. IOLTA Account; (w) Daniel S. Davis (aka Danny Davis); and/or (x) Centurion Gold Holdings, Inc.

22. Upon information and belief, the assets, goods or chattels referenced in the preceding paragraph are located at the following financial institutions: Bank of America, N.A.; Bank of China; The Bank of New York; Citibank, N.A.; Deutsche Bank Trust Company Americas; HSBC Bank USA, N.A.; JPMorgan Chase Bank, N.A.; UBS AG; Wachovia Bank, N.A.; Société Générale; Standard Chartered Bank; BNP Paribas; Calyon Investment Bank; American Express Bank; Commerzbank; ABN Amro Bank; Bank Leumi USA; Banco Popular; Bank of Tokyo-Mitsubishi UFJ Ltd.; China Trust Bank; Industrial Bank of Korea; Shin Han Bank; Great Eastern Bank; Nara Bank; United Orient Bank; or any other financial institution within the Southern District of New York.

**WHEREFORE**, plaintiff COSCOL (HK) Investment & Development Co., Ltd. prays:

1. That process in due form of law according to the practice of this Court in the form of a writ of maritime attachment be issued against bank accounts and other property of Escopeta Oil & Gas Corporation with the financial institutions noted above in paragraph 22;

2. That if defendant Escopeta Oil & Gas Corporation cannot be found within this District pursuant to Supplemental Rule B, that all assets of Defendant Escopeta Oil & Gas Corporation up to and including the sum of \$6,935,590.00 may be restrained and attached, including but not limited to cash, funds, credits, wire transfers, electronic funds transfers, accounts, letters of credit, freights, sub-freights, charter hire, sub-charter hire, and/or other assets of, belonging to, due or for the benefit of Defendant Escopeta Oil & Gas Corporation including but not limited to such assets as may be held, received or transferred in its own name or as may

be held, received or transferred for its benefit by the entities who act as its paying/payment agent(s), namely: (a) Songa Management, Inc.; (b) Songa Drilling AS; (c) Songa Drilling ASA; (d) KCA Deutage Offshore AS; (e) KCA Deutage Offshore ASA; (f) Songa Drilling Pte Ltd.; (g) KCA Deutage Pte Ltd.; (h) Songa Offshore ASA; (i) Songa Offshore AS; (j) Abbott Group, plc.; (k) Joseph F. Archer, P.C.; (l) Joe Archer; (m) Joseph F. Archer, P.C. IOLTA Account; (n) Mehaffy Weber, P.C.; (o) Mehaffy Weber, P.C. IOLTA Account; (p) Ernest W. Boyd; (q) Butch Boyd; (r) Ernest W. Boyd IOLTA Account; (s) Chamberlain, Hrdlicka, White, Williams & Martin, P.C. (t) Chamberlain, Hrdlicka, White, Williams & Martin, P.C. IOLTA Account; (u) Lyman, Twining, Weinberg & Ferrell, P.C.; (v) Lyman, Twining, Weinberg & Ferrell, P.C. IOLTA Account; (w) Danny Davis; and/or (x) Centurion Gold Holdings, Inc., at one or more of the following institutions: Bank of America, N.A.; Bank of China; The Bank of New York; Citibank, N.A.; Deutsche Bank Trust Company Americas; HSBC Bank USA, N.A.; JPMorgan Chase Bank, N.A.; UBS AG; Wachovia Bank, N.A.; Société Générale; Standard Chartered Bank; BNP Paribas; Calyon Investment Bank; American Express Bank; Commerzbank; ABN Amro Bank; Bank Leumi USA; Banco Popular; Bank of Tokyo-Mitsubishi UFJ Ltd.; China Trust Bank; Industrial Bank of Korea; Shin Han Bank; Great Eastern Bank; Nara Bank; United Orient Bank; or any other financial institution within the Southern District of New York;

3. That Escopeta Oil & Gas Corporation and any other person claiming an interest therein may be cited to appear and answer the matters aforesaid;

4. That judgment be entered in favor of COSCOL (HK) Investment & Development

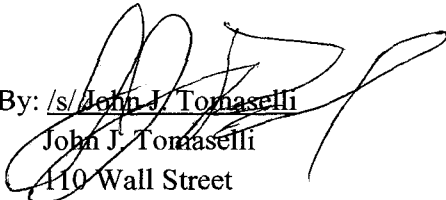


Co., Ltd. and against Escopeta Oil & Gas Corporation in the amount of \$6,935,590.00 (including estimated interest, expenses and attorneys' fees); and,

5. That this Court grant COSCOL (HK) Investment & Development Co., Ltd. such other and further relief which it may deem just and proper.

Dated: New York, New York  
February 26, 2008

TOMASELLI & CO.

By:  /s/ John J. Tomaselli

John J. Tomaselli

110 Wall Street

11th Floor, No. 68

New York, New York 10005

Tel: (212) 461-4880

Fax: (212) 214-0318

*Attorneys for Plaintiff*

*COSCOL (HK) Investment & Development Co., Ltd.*

**VERIFICATION**

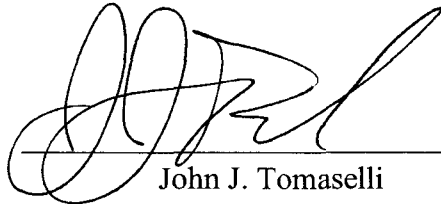
STATE OF FLORIDA )

:ss.:

COUNTY OF BROWARD )

JOHN J. TOMASELLI, being duly sworn, deposes and says:

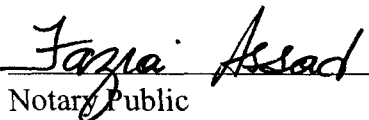
I am a member of the firm of Tomaselli & Co., counsel for COSCOL (HK) Investment & Development Co., Ltd., plaintiff in the foregoing action. I have read the foregoing Verified First Amended Complaint and know the contents thereof, and the same are true and correct to the best of my knowledge. I have reviewed documentation provided to me by COSCOL (HK) Investment & Development Co., Ltd. and corresponded with COSCOL (HK) Investment & Development Co., Ltd. representatives regarding this matter. I am authorized by COSCOL (HK) Investment & Development Co., Ltd. to make this verification, and the reason for my making it as opposed to an officer or director of COSCOL (HK) Investment & Development Co., Ltd. is that there are none within the jurisdiction of this Honorable Court.

  
John J. Tomaselli


Sworn to before me this  
26<sup>th</sup> day of February, 2008



Fazia Assad  
My Commission DD346058  
Expires August 31, 2008

  
Notary Public

## **EXHIBIT 1**

|   |  |   |  |
|---|--|---|--|
| 1. Place and date of Contract<br>Contract #2219 dated 9 <sup>th</sup> February 2006 Houston, TX USA   |  | THE BALTIC AND INTERNATIONAL MARITIME COUNCIL<br>STANDARD TRANSPORTATION CONTRACT FOR HEAVY<br>AND VOLUMINOUS CARGOES<br>CODE NAME: "HEAVYCON"<br>   |  |
| 2. Owners/place of business (CL 2.1)<br>COSCO (HK) Investment & Development Co., Limited<br>Room 4002, 40/F, COSCO Tower,<br>183 Queen's Road Central<br>Hong Kong<br><br>Owners Agents/Place of Business<br>NMA Maritime & Offshore Contractors B.V.<br>Sprenkelweg 700, z.p. 808/ 809<br>3083 AS Rotterdam<br>The Netherlands |  | 3. Charterers/place of business (CL 2.1)<br>Escopeta Oil & Gas Corporation<br>5005 Riverway, Suite 448<br>Houston, Texas 77058  |  |
| 4. Vessel (name, type and other particulars; also description of Owners' equipment) (CL 2.1 & 4.2)<br>COSCO semi-submersible vessel "Tai An Kou" - See Appendix II  |  |   |  |
| 5. Cargo (full description of cargo; indicate whether full and complete cargo or part cargo; also state minimum/maximum weight of cargo) (CL 2.1 & 10.4)<br>Soupa Yellu MLT & SOG Jack Up Rig, always within vessel's capabilities and capacity. Subject cargo details  |  |   |  |
| 6. Loading port(s) (CL 2.1)<br>Sabine Pass, USA<br>1 safe and suitable loading location to be arranged by Charterers  |  | 7. Discharging port(s) and intended route from loading port to discharging port (CL 2.1 & 12.2)<br>Cooke Inlet, USA<br>1 safe and suitable discharging location to be arranged by Charterers  |  |
| 8. Loading method(s) (indicate alternative(s): (a), (b) or (c), as agreed) (CL 4.3)<br>4.3 (c) Float-On   |  | 9. Discharging method(s) (indicate alternative(s): (a), (b) or (c), as agreed) (CL 4.3)<br>4.3 (c) Float-Off  |  |
| 10. First layday (CL 8.1)<br>Loading Window 1-30 June 2006 as soon as reasonably possible directly<br>after the Sabre Transport deck cleaning   |  | 11. Cancelling date (CL 8.1)<br>30 <sup>th</sup> June 2006  |  |
| 12. Notices for loading to be given to (CL 9.1 & 9.2)<br>Owners to give Charterers 14/17/31 days approximate load readiness<br>notice   |  | 13. Notices for discharging (state interval periods and to whom to be given) (CL 9.1 & 9.2)<br>Owners to give Charterers 14/17/31 days approximate discharge readiness<br>notice  |  |
| 14. Marine Surveyor(s) and date for transportation approval (CL 10.1 & 10.4)<br>To be nominated by Charterers - Approval within 21 days of Owner's tendering notice of readiness  |  |   |  |
| 15. Freight (CL 11)<br>U.S. \$4,310,000.00  |  | 16. Freight and demurrage, etc. payment (currency and where payable; also state owners' bank account) (CL 11)<br>Payment of freight and demurrage as per Clause 11, 12, and 13.<br>Payments made to:<br>Rabobank Zeist, 2e Hogeweg 83, 3701 AW Zeist, The Netherlands<br>Swiftcode: RABONL2U<br>Account No: 1590.82900<br>In Name of:<br>NMA Maritime & Offshore Contractors B.V. |  |
| 17. Free time for loading/discharging and canal transit (if applicable) (state total number of running hours) (CL 12.1 & 14.1)<br>24 hours loading SHINC/FHNC<br>24 hours discharging SHINC/FHNC  |  | 18. Demurrage rate per day (CL 12.2)<br>USD 25,000 per day pro rata in port<br>USD 30,000 per day pro rata offshore standby<br>USD 40,000 per day pro rata deviation  |  |
| 19. Mobilisation charge (if agreed, state lump sum amount) (CL 13.1)<br>N/A   |  | 20. Demobilisation charge (if agreed, state lump sum amount) (CL 13.2)<br>N/A   |  |
| 21. Canal transit costs (if any) limited to (CL 14.3)<br>N/A  |  | 22. Price per unit of bunker oil (CL 15)<br>USD 300 net IFO 380   |  |

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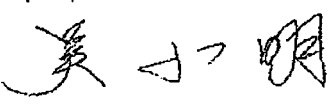
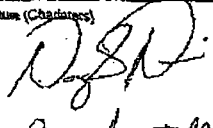
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(continued) CON STANDARD CONTRACT FOR HEAVY AND VOLUMINOUS CARGO PART I

|   |  |
|---|--|
| 23 Termination Fee(s) (state amount(s) if agreed) (Cl. 20.1 & 20.2)<br>75% of the Freight in Box 15   | 24 Liability for cargo (state whether Bill of Lading or Cargo Receipt) (Cl. 21.4, or 21.5)<br>Cargo Receipt<br>25 General average shall be adjusted/settled at (Cl. 25)<br>LONDON                                |
| 26 Brokerage and to whom payable (Cl. 31)   | 27 Law and arbitration (state 32.1, 32.2, or 32.3, of Cl. 32, as agreed; if 32.3 agreed state place of arbitration) (if Box 27 not filled in 32.1, shall apply) (Cl. 32)<br>English Law<br>Arbitration in London |
| 28 Number of additional clauses covering special provisions, if agreed<br>Clauses 33, 34, 35, 36, 37, 38 and Appendices I, II, III and IV form an integral part of the charter party. |  |

It is mutually agreed that this Contract shall be performed subject to the conditions contained in the Contract consisting of PART I including additional clauses, if any agreed and stated in Box 28 and PART II. In the event of a conflict of conditions, the provisions of PART I and any additional clauses shall prevail over those of PART II to the extent of such conflict but no further.

|  |  |
|--|--|
| Signature (Owner)<br><br>Wu Xiao Ming COSCO, Chief Representative Houston | Signature (Charterer)<br><br>Charterer T&A Gas Corp. |
|--|--|

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PART II  
"HEAVYCON" Standard Transportation Contract

1. Definitions  
In this Contract the following words and expressions shall have the meanings hereby assigned to them.
- 1.1. The Owners shall mean the party identified in Box 2.
- 1.2. The Charterers shall mean the party identified in Box 3.
- 1.3. The Vessel shall mean the transportation unit(s) described in Box 4.
- 1.4. Loading port shall mean the port(s) or area(s) specified in Box 5.
- 1.5. Discharging port shall mean the port(s) or area(s) specified in Box 7.
- 1.6. The Cargo shall mean any goods or equipment or other items described in Box 6.
- 1.7. The Transportation shall mean the carriage of the cargo and, as the case may be, the loading, discharge and all other operations connected therewith.
2. Voyage  
2.1. It is agreed between the Owners mentioned in Box 2 and the Charterers mentioned in Box 3 that, subject to the terms and conditions of this Contract, the cargo described in Box 6 shall be transported by the Owners from the loading port(s) mentioned in Box 5, or so near thereto as she may safely get and be always safe and aloft, to the discharging port(s) mentioned in Box 7, or so near thereto as she may safely get and be always safe and aloft, by means of the Vessel named and described in Box 4 or in an appendix.
- 2.2. At the commencement of the voyage the Owners shall exercise due diligence in making the Vessel seaworthy. The Owners shall perform the voyage with due despatch unless otherwise agreed.
3. Deviation/Delay/Paid Cargo  
3.1. The Vessel has the liberty to sail without pilots, to tow and/or assist vessels in all situations, to deviate for the purpose of saving life, to replenish bunkers and/or to deviate for the purpose of safety of the cargo, crew, Vessel and for any other reasonable purpose.
- 3.2. Without prejudice to the provisions of Clause 23, should the Master decide, for the purpose of the safety of the cargo, to deviate from the normal route which is stipulated in Box 7, the Charterers shall pay for all time lost as a consequence of the deviation at the demurrage rate stipulated in Box 15. The time lost shall include all time used until the Vessel reaches the same or equivalent position to that where the deviation commenced and the Charterers shall also pay all additional expenses incurred by such deviation including bunkers, port charges, portage, log boats, agency fees and any other expenses whatsoever incurred.
- 3.3. If the Vessel for reasons beyond the Owners' control is being delayed at loading port(s) or place(s) and/or discharging port(s) or place(s), including obtaining free pratique, customs, port clearance or other formalities, such delays shall be paid for by the Charterers at the demurrage rate stipulated in Box 15.
- 3.4. Unless the cargo is declared as a full and complete cargo in Box 6, the Owners shall have the liberty of re-loading the cargo and of loading and/or discharging other part consigned for the account of others than the Charterers from places where or not consigned to places consigned and/or not consigned. The re-loading and discharging places shall be at the Owners' option.
- When the Owners exercise such option(s) this shall in no way constitute a deviation, notwithstanding anything else contained in this Contract.
4. Loading and Discharging  
4.1. The Charterers shall have the cargo in all respects ready for the said voyage at the loading port(s) on the date for which notice of expected readiness is given by the Owners as per Clause 3, but not before the date stated in Box 10 as first layday.
- The precise loading area or place within the agreed loading port, which shall be always safe and accessible and suitable for the loading operation shall be nominated by the Charterers upon receipt of the first notice given by the Owners pursuant to Clause 3, always subject to the approval of the Owners and the Master. Such approval shall not be unreasonably withheld.
- 4.2. The Owners shall provide the equipment stated in Box 4 or in an appendix and shall in their own time and at their own expense prepare each equipment for the loading. All other equipment shall be provided by the Charterers. When the cargo has been loaded and positioned, it shall be lash-secured and/or lashed by the Owners at their expense to the satisfaction of the Master.
- 4.3. At the loading port, the cargo shall be delivered by the Charterers without delay in the sequence required by the Master at any time during day or night, Saturdays, Sundays and holidays included and shall be loaded by one or more of the following methods stated in Box 8:
- 7 (a) If agreed in Box 8 that the Owners shall load the cargo with their own gear or tackle, the Charterers shall take delivery of the cargo upon discharge and within reach of said gear or tackle. The Owners shall procure and pay for necessary winches and labour to perform the discharge except that any shore labour forced upon the Vessel by local or union regulations shall be for the Charterers' account.
- 7 (b) If agreed in Box 8 that the Charterers shall discharge the cargo, the Charterers shall procure and pay for the necessary equipment and labour for the discharge of the cargo.
- 7 (c) If agreed in Box 8 that the cargo shall be discharged by means of float-off method, the Owners shall submerge the Vessel and float off the cargo. The Owners shall procure and pay the necessary labour and winchmen either from the crew or from shore except that any shore labour forced upon the Vessel by local or union regulations shall be for the Charterers' account. The Charterers shall procure and pay for workboats and tugs required for discharging the cargo. The Owners shall have the right to use such workboats and tugs for the discharging operations reimbursing the Charterers the actual cost for the use thereof from the time when the first line is attached to the cargo until the time when the last part of the cargo passes the side of the Vessel at which time the Charterers shall take custody of the cargo.
- 7 Indicate alternative(s) (a), (b) or (c), as agreed, in Box 8.
- 4.4. All expenses associated with the Vessel such as harbour dues, pilotages, local tug assistance, if required, agency fees, fuel and lubricants shall be paid for by the Owners except as otherwise provided for in this Contract.
5. Permits/Licences  
5.1. All necessary permits and/or licences pertaining to the loading and/or discharging operations shall be provided and paid for by the Charterers. The same applies to permits and/or licences pertaining to the carriage of cargo. If required, the Owners shall assist the Charterers in obtaining such permits and/or licences.
- 5.2. Any delay by the Charterers in obtaining the permits and/or licences related to sub-clause 5.1 shall be at the Charterers' time and any time lost shall be paid for at the demurrage rate stipulated in Box 15.
6. Taxes, Charges, etc.  
The Charterers shall pay all duties, taxes and charges whatsoever levied on the cargo and/or the freight at the loading port and/or discharging port in-

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PART II  
"HEAVYCON" Standard Transportation Contract

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| specification of how the amount thereof may be assessed, including agency commission assessed on the basis of the freight.  | 149 | and shall pay all expenses relating to documentation related to the Vessel and all other equipment being provided by the Owners in the performance of the transportation.   | 218 |
| 7. Quarantine   | 151 | 10.3. The Charterers shall arrange and pay for all the Marine Surveyor(s) services, including their approval of the transportation.   | 221 |
| Unless due to health conditions on board the Vessel, any time lost as a result of quarantine formalities and/or health restrictions imposed or incurred at any stage of the voyage, including any such loss of time at the loading port and/or the discharging port, shall be paid for by the Charterers at the demurrage rate specified in Box 18. The Charterers shall also pay for all other expenses which may be incurred as a result thereof.   | 152 | 10.4. Should the Marine Surveyor(s) not give transportation approval within 21 days of Charterers' tendering notice of readiness approval by the date stipulated in Box 14, both the Charterers and the Owners may elect to terminate this Contract and all freight paid for advanced by the Charterers to the Owners shall be promptly refunded unless such approval was withheld because of circumstances beyond Owner's reasonable control and responsibility.   | 222 |
| 8. Commencement of Loading/Canceling Date   | 156 | 10.5. The Charterers warrant that the full description of the cargo mentioned in Box 5 is correct and further warrant that the cargo is in all respects tight, staunch, strong and in every way fit for the transportation.   | 224 |
| 8.1. The date of commencement of the loading shall be at any time on or between the dates mentioned in Box 10 and the canceling date stipulated in Box 14, both dates inclusive, in the Owners' option. Should the Owners give notice of readiness prior to the first day, the Charterers may, at their option, accept such an earlier loading date and the time used shall count against the free time as per Clause 12.   | 159 | Should the cargo and/or its description not be in compliance with the above, then the Owners shall have the option to cancel this Contract.   | 225 |
| 8.2. Should it clearly appear that the Vessel will not be ready to commence the loading latest on the canceling date the Owners shall immediately notify the Charterers hereof and state a new canceling date as soon as they are in a position to state with reasonable certainty such new canceling date.   | 161 | If the Owners exercise their option to cancel the Contract in accordance with this Clause the Charterers shall pay to the Owners the applicable termination fee according to the provisions of Clause 20.   | 226 |
| Within 72 running hours after receipt of the Owners' notice as aforesaid and latest when the Vessel is ready for loading, whichever is the earlier, the Charterers shall advise the Owners whether they elect to cancel this Contract, failing such advice the new canceling date as notified by the Owners shall apply.  | 162 | 11. Freight   | 234 |
| 8.3. Should the Charterers cancel the Contract according to sub-clause 8.2, any amount paid to the Owners in advance and not earned shall be returned to the Charterers by the Owners unless the delay was caused by Salween US in the Salween project in which case the termination fee stated in Box 23 shall be paid by Charterers to Owners.  | 163 | The freight stipulated in Box 15 shall be paid in instalments as per Box 16 and clause 23 follows:-   | 236 |
| 8.4. The Owners shall not be responsible for any loss or damages whatsoever incurred by the Charterers as a result of the Charterers cancelling this Contract as per sub-clause 8.2 nor shall the Owners be responsible for any loss or damages whatsoever suffered by the Charterers as a result of the failure of the Vessel to be ready for loading latest on the last date of the loading window canceling date agreed in Box 10.4.1 in the case that a new canceling date has been agreed.   | 164 | upon signing of this Contract and the balance shall be fully prepaid upon completion of loading against surrender of the Cargo Receipt or Bill of Lading whichever the case may be. The freight shall be considered earned upon completion of loading and shall be non-refundable whether the Vessel and/or cargo is lost or not lost and whether lost due to perils of the sea or otherwise. The freight instalments shall be paid discountless and be telegraphically remitted in the currency and paid into the Owners' bank account stipulated in Box 18. | 237 |
| 8.5. Should the cargo for reasons beyond the Owners' control not be loaded within 14 days from tendering of notice of readiness, the Owners shall have the option to cancel this Contract.  | 165 | 12. Free Time/Demurrage   | 245 |
| If the Owners exercise their option to cancel the Contract in accordance with this sub-clause, the Charterers shall pay to the Owners the applicable termination fee according to the provisions of Clause 20 in addition to any demurrage incurred.  | 166 | 12.1. The Charterers are allowed the free time stipulated in Box 17 in the loading and discharging port(s) and for canal transit if applicable. Fridays, Saturdays, Sundays and holidays included.  | 246 |
| 9. Notices  | 190 | The free time at the loading port(s) shall start counting 6 running hours after notice of readiness has been tendered in accordance with Clause 9.2, whether in berth or not, unless loading has commenced earlier and shall count until the first of the Vessel's lines is attached to the cargo, as positioned above the stowed deck in all respects fully contained on board the Vessel.   | 247 |
| 9.1. Advance Notices of Expected Readiness  | 191 | and approved by the Marine Surveyor(s).   | 253 |
| The Owners shall give notice as per Box 12 of the expected day of the Vessel's readiness in load 14 (fourteen) days, 7 (seven) days and 3 (three) days in advance. Furthermore, the Owners shall give 24 (twenty-four) hours approximate notice of the expected hour of the Vessel's readiness to load.   | 192 | The free time at the discharging port(s) shall start counting 6 running hours after notice of readiness has been tendered in accordance with Clause 9.2, whether in berth or not, unless discharge has commenced earlier and shall count until the cargo is discharged and lifted approximately 50 meters off the Vessel in all respects removed from the Vessel.   | 254 |
| 9.2. Notice of Readiness  | 196 | If the Owners are to load and discharge the cargo in accordance with Clauses 4.2, (a) or (c) and 4.6, (a) or (c) free time or time on demurrage shall not count for time used for the actual loading and discharge operation in excess of the fixed hours stipulated in Box 12 of Part I, unless such time used in excess of the fixed time is due to reason beyond the Owners' control.  | 255 |
| The Owners shall give notice of readiness by letter, cable, telex or telephone as per Box 12 advising when the Vessel is ready to commence loading at the loading port and when the Vessel is ready to commence discharge at the discharging port as per Box 13. All notices may be given at any time of the day, Fridays, Saturdays, Sundays and holidays included and notwithstanding hindrances as referred to in Clause 8.3.  | 197 | 12.2. Demurrage shall be payable for all time used in excess of the free time. The demurrage rate for the Vessel is the amount stipulated in Box 18 calculated per day of pro rata for part of a day.   | 256 |
| 9.3. During the voyage the Owners shall give notice of expected time of arrival at discharging port(s) with intervals of the number of days stipulated in Box 13.   | 198 | 12.3. Free time shall not count and if the Vessel is on demurrage, demurrage shall not accrue for time lost by reason of strike or lockout of the Master, officers or crew or by reason of breakdown of the Vessel or the Owners' equipment.  | 257 |
| 10. Marine Surveyor/Condition of the Vessel and Cargo   | 206 | 12.4. The demurrage and other amounts which are calculated at the demurrage rate shall due and are payable by the Charterers immediately upon presentation of the Owners' invoice to the Owners' bank account stipulated in Box 18.   | 258 |
| 10.1. The Marine Surveyor(s) stated in Box 14 will be appointed for this transportation. If Box 14 has not been filled in the Charterparty and the Owners shall agree on the appointment of Marine Surveyor(s) acceptable to the cargo underwriters.  | 207 | Should more than 14 days of demurrage have accrued, the Owners are entitled to demurrage on account. The Owners may demand payment against presentation of invoices covering the first 14 days and thereafter for every 7 days.   | 259 |
| 10.2. All relevant documentation required by the Marine Surveyor(s) for their approval of the transportation shall be submitted to the Marine Surveyor at the earliest possible stage after this Contract is made. If not already submitted earlier, as soon as possible after submission of the relevant documentation, transportation approval shall be given by the Marine Surveyor. The Charterers shall pay all expenses relating to the production of documentation related to the cargo and/or the Charterers' equipment. The Owners shall pay all expenses relating to documentation related to the Vessel and all other equipment being provided by the Owners in the performance of the transportation. | 208 | 13. Mobilization/Demobilization   | 276 |
|   | 209 | 13.1. Mobilization  | 278 |
|   | 210 | Agreed upon in Box 19 the Charterers shall pay the lump sum stipulated therein in respect of mobilization which amount shall be earned and non-refundable upon the Vessel's arrival in the loading port.  | 281 |
|   | 211 | 13.2. Demobilization  | 283 |
|   | 212 |   |     |
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# PART II "HEAVYCON" Standard Transportation Contract

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| it agreed upon in Box 20, the Charterers shall pay the lump sum stipulated        | 284 | ding or discharging shall count against free time or, if the Vessel is on de-      | 356 |
| therein in respect of demurrage, which amount shall be earned and                 | 285 | murage, for demurrage. Any delay caused by reasons of the Vessel being             | 359 |
| non-refundable upon the Vessel's arrival in the discharging port.                 | 286 | ordered to a port where there is danger of being frozen in shall count against     | 360 |
| 13.3. The mobilization and demobilization amounts shall be payable                | 287 | free time or, if the Vessel is on demurrage, for demurrage.                        | 361 |
| against the Owners' invoices.   | 288 | 16.3. The Vessel not to be obliged to force ice nor to follow icebreakers          | 362 |
| 14. Canal Transit   | 289 | 17. Dangerous Cargo  | 363 |
| 14.1. If the transportation is scheduled to pass through a canal according to     | 290 | If part of the cargo is of an inflammable, explosive or dangerous nature or        | 364 |
| Box 2, the Charterers are granted free time for any such transit, and such        | 291 | condition or at any stage may develop into such nature or condition it must        | 365 |
| free time shall count against the number of hours stipulated in Box 17. If the    | 292 | be packed and stored or stowed in accordance with IMO Dangerous Goods              | 366 |
| transportation is delayed beyond the free time stipulated herein, the Char-       | 293 | Code and/or other applicable regulations always to the full satisfaction of        | 367 |
| terers shall pay for such extra transit time at the rate of demurrage stipu-      | 294 | the Master. Any delay to the transportation in this respect shall be paid for      | 368 |
| lated in Box 18 and shall, in addition, pay for all other documented extra ex-    | 295 | by the Charterers at the demurrage rate stipulated in Box 18.                      | 369 |
| penses thereby incurred. Canal transit time is defined as time spent at wait-     | 296 | 18. Lien   | 370 |
| ing or at anchorage, or at a lock, or at a dam, or at a weir, or at a lock, or    | 297 | The Owners shall have a lien on the cargo and any Charterers' equipment            | 371 |
| at a lock, or at a dam, or at a weir, or at a lock, or at a dam, or at a weir,    | 298 | for all freight and all other expenses in relation to the transportation, dead-    | 372 |
| 14.2. The freight rate stipulated in Box 15 is based upon the Owners paying       | 299 | freight, advances, demurrage, damages for detention, general average and           | 373 |
| canal tolls limited to the amount stipulated in Box 23. Any increase in the ca-   | 300 | salvage including costs for recovering same.                                       | 374 |
| nal tolls and/or any additional expenses imposed on the transportation for        | 301 | 19. Substitution   | 375 |
| the canal transit actually paid by the Owners shall be reimbursed by the          | 302 | The Owners shall, at any time before the last day of the loading window            | 376 |
| Charterers to the Owners upon presentation of the Owners' invoices.               | 303 | scheduling date, be entitled to sub-   | 377 |
| 14.3. Should the transit of a canal be made impossible for reasons beyond         | 304 | stitute the Vessel named in Box 4 with another vessel of equivalent capab-         | 378 |
| the Owners' control, the Charterers shall pay for all extra time by which the     | 305 | ility and capacity, provided such substitute vessel is approved by the Mar-        | 379 |
| voyage is hereby prolonged at the rate of demurrage stipulated in Box 18.         | 306 | ine Surveyor. Nothing herein shall be construed as imposing on the Owners          | 380 |
| The Charterers shall also pay all other expenses, including for bunkers, in       | 307 | an obligation to make such substitution.   | 380 |
| addition to those which would normally have been incurred had the Vessel          | 308 | 20. Termination  | 381 |
| been standing by a port less the amount of canal tolls being refunded to the      | 309 | 20.1. Notwithstanding anything else provided herein, the Charterers shall          | 382 |
| Owners for bunkers transferred to a canal.  | 310 | have the right to terminate this Contract prior to the Vessel's arrival at the     | 383 |
| 14.4. Notwithstanding the provisions of clause 14.3, the Owners may, at           | 311 | first loading port against payment of the applicable amount stipulated in Box      | 384 |
| their sole discretion, instruct the Master to discharge the cargo at the near-    | 312 | 23 less any prepaid freight.   | 385 |
| est safe and reasonable port or place and such discharge shall be deemed          | 313 | 20.2. Furthermore, the Charterers shall have the right to terminate this Con-      | 386 |
| due fulfillment of the Contract. All provisions of this Contract regarding        | 314 | tract after the Vessel's arrival at the first loading port but not later than upon | 387 |
| freight, discharge of the cargo, free time and demurrage as agreed for the        | 315 | commencement of loading against payment of the applicable amount stipu-            | 388 |
| original discharging port shall also apply to the discharge at the substitute     | 316 | lated in Box 23 plus compensation for all time spent at the first loading port     | 389 |
| port.   | 317 | at the demurrage rate stipulated in Box 18 less any prepaid freight together       | 390 |
| 15. Bunker Excitation   | 318 | with the actual expenses incurred by the Owners in preparation for the loa-        | 391 |
| This Contract is concluded on the basis of the price per ton for bunker oil       | 319 | ding.  | 392 |
| stated in Box 23 in force on the date of this Contract.                           | 320 | 20.3. If Box 23 is not filled in, this Clause shall not apply.                     | 393 |
| If the price actually paid by the Owners for the quantity of bunker oil con-      | 321 | 21. Liability for Cargo - Bill of Lading or Cargo Receipt                          | 394 |
| sumed during the transportation should be higher, the difference shall be paid    | 322 | 21.1. Notwithstanding anything else contained herein, the Owners shall be          | 395 |
| by the Charterers to the Owners.  | 323 | liable for all loss or damage of whatsoever nature to or sustained by the Ves-     | 396 |
| If the price actually paid by the Owners for the quantity of bunker oil con-      | 324 | sel, any liability in respect of wreck removal and the expense of moving, light-   | 397 |
| sumed during the transportation should be lower, the difference shall be paid     | 325 | ing or buoying the Vessel, and any liability in respect of death or injury         | 398 |
| by the Owners to the Charterers.  | 326 | of any of the Owners' employees, servants, agents or sub-contractors' per-         | 399 |
| 16. Ice   | 327 | sonnel, and any liability in respect of other cargo on board not the subject of    | 400 |
| 16.1. If on passage to the loading port or discharging port the Master finds      | 328 | this Contract, all of which shall be for the sole account of the Owners without    | 401 |
| that the port cannot be safely reached owing to ice, the Owners shall re-         | 329 | recourse to the Charterers, their servants or agents, and the Owners shall         | 402 |
| quest the Charterers to immediately nominate an alternative safe, ice-free        | 330 | indemnify, defend and hold the Charterers harmless from and against any            | 403 |
| and accessible port where there are facilities for loading or discharging the     | 331 | and all claims, losses, costs, damages and expenses of every kind and na-          | 404 |
| cargo. In this event, freight shall be paid at the rate applicable under this     | 332 | ture including legal expenses arising from the foregoing.                          | 405 |
| Contract to such alternative loading or discharging port and, in addition, any    | 333 | 21.2. Notwithstanding anything else contained herein, the Charterers shall         | 406 |
| period by which the time taken to reach either or both such alternative ports     | 334 | be liable for all loss or damage or delay of whatsoever nature and howso-          | 407 |
| exceeds the time which would have been taken had the Vessel proceeded             | 335 | ever caused to or sustained by the cargo, including any property operated,         | 408 |
| without direct shall be paid for by the Charterers at the rate of demurrage       | 336 | owned, hired and/or leased by the Charterers on board, and any liability in        | 409 |
| specified in Box 18 per running day and pro rata for part of a running day as     | 337 | respect of wreck removal and the expense of moving, lighting or buoying the        | 410 |
| well as the cost of any additional bunkers consumed. If no rate of freight is     | 338 | cargo, and any liability in respect of death or injury of any of the Charterers'   | 411 |
| specified in Box 18 for the selected alternative port, then freight shall be      | 339 | employees, servants, agents or sub-contractors' personnel, or the Marine           | 412 |
| paid at the rate applicable for the voyage first nominated, adjusted by allow-    | 340 | Surveyor(s) personnel, and all liabilities consequent upon loss, damage or         | 413 |
| ances at the demurrage rate specified in Box 18 for the difference in the time    | 341 | delay to the cargo, all of which shall be for the sole account of the Char-        | 414 |
| taken for the actual voyage and the estimated time required to perform the        | 342 | ters without recourse to the Owners, their servants or agents or insurers and      | 415 |
| first nominated voyage, the costs of the difference in bunker oil consump-        | 343 | the Charterers shall indemnify, defend and hold all these harmless from and        | 416 |
| tion and the difference, if any, in port charges at the respective ports.         | 344 | against any and all claims, losses, costs, damages and expenses of every           | 417 |
| 16.2. If on or after the Vessel's arrival at or off the nominated loading port or | 345 | kind and nature including legal expenses arising from the foregoing.               | 418 |
| discharging port there is a danger of the Vessel being frozen in, the Master      | 346 | 21.3. The Owners and the Charterers shall agree and state in Box 24 whe-           | 419 |
| shall be at liberty to proceed to the nearest safe and ice-free position and      | 347 | ther a Bill of Lading or a non-negotiable Cargo Receipt will be issued by Ow-      | 420 |
| shall, at the same time, request the Charterers by radio for revised orders.      | 348 | ners upon loading of the cargo.  | 421 |
| Immediately upon receipt of such request, the Charterers shall give orders        | 349 | 21.4. Bill of Lading   | 422 |
| for the Vessel to proceed to an alternative safe, ice-free and accessible port    | 350 | (a) If, as stated in Box 24, the Owners have agreed to issue a Bill of Lading,     | 423 |
| where there is no danger of Vessel being frozen in and where there are fac-       | 351 | same shall be as per the Heavycon Bill form which shall incorporate all            | 424 |
| ilities for loading or discharging the cargo.                                     | 352 | terms, conditions, clauses and exceptions of this Contract, includ-                | 425 |
| If the Vessel is ordered to proceed to an alternative port, the sum in respect    | 353 | ing the Arbitration Clause;  | 426 |
| of freight and delay to be paid by the Charterers shall be as specified in sub-   | 354 | (b) The Owners shall not be liable for any loss, damage or delay to cargo in       | 427 |
| clause 16.1, but if the Vessel loads or discharges at the nominated port          | 355 | the period before loading and after discharging.                                   | 428 |
| then the whole of the time occupied from the time the Master's request for        | 356 | (c) Unless otherwise agreed, the cargo shall be shipped on deck at Ship            | 429 |
| revised orders has been received by the Charterers until completion of loa-       | 357 |  |     |

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[Signature]

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**PART II**  
**"HEAVYCON" Standard Transportation Contract**

1881ers declare (within 24 hours of receipt of Owners' notification of intended  
1882 cancellations) that they agree to count the time at port of discharge as if there  
1883 were no such hindrance, without prejudice to the Charterers' right of order-  
1884 ing the Vessel to a substitute port of discharge in accordance with sub-  
1885 clause 26.4. Time for loading does not count in the said 24 hours.  
1886 26.4. Discharging port. In the event of strike or lock-out affecting the dis-  
1887 charging of the cargo on or after Vessel's arrival at or off the port of dis-  
1888 charge, the Charterers shall have the option of keeping the Vessel waiting  
1889 up to maximum 7 days against paying demurrage after the expiration of the  
1890 time provided for discharging or of ordering the Vessel to a safe port where  
1891 she can safely discharge without risk of being detained by strike or lock-  
1892 out. Such orders to be given within 48 hours after the Owners have given no-  
1893 tice to the Charterers of Vessel's readiness to discharge or of the Owners' re-  
1894 quest for orders. After waiting 7 running days, the Owners shall be at liberty  
1895 to discharge the cargo at any safe port which they may, in their discretion,  
1896 decide on and such discharge shall be deemed to be due fulfillment of the  
1897 Contract. In the event of cargo being discharged at any such other port, the  
1898 Owners shall be entitled to freight as if the discharge had been effected at  
1899 the port or ports named in the Bill(s) of Lading or to which the Vessel may  
1900 have been ordered pursuant thereto.  
1901 26.5. Notification. The party who first learns about the occurrence of strike  
1902 or lock-out shall immediately notify thereof the other party.  
1903  
1904 27. War Risks  
1905 27.1. In these clauses "War Risks" shall include any blockade or any action  
1906 which is announced as a blockade by any Government or by any belligerent  
1907 or by any organized body, sabotage, piracy, and any actual or threatened  
1908 war, hostilities, warfare operations, civil war, civil commotion, or revolution.  
1909 27.2. If at any time before the Vessel commences loading, it appears that  
1910 performance of the Contract will subject the Vessel or her Master and crew  
1911 or her cargo to war risks at any stage of the adventure, the Owners shall be  
1912 entitled by letter or telegram despatched to the Charterers, to cancel this  
1913 Contract.  
1914 27.3. The Master shall not be required to load cargo or to continue loading  
1915 or to proceed on or to sign Bill(s) of Lading for any adventure on which or  
1916 any port at which it appears that the Vessel, her Master and crew or her  
1917 cargo will be subjected to war risks. In the event of the exercise by the Mas-  
1918 ter of his right under this Clause after part or full cargo has been loaded, the  
1919 Master shall be at liberty either to discharge such cargo at the loading port  
1920 or to proceed therewith. In the latter case the Vessel shall have liberty to  
1921 carry other cargo for Owners' benefit and accordingly to proceed to and  
1922 load or discharge such other cargo at any other port or ports whatsoever  
1923 backwards or forwards, although in a contrary direction to or out of or  
1924 beyond the ordinary route. In the event of the Master electing to proceed  
1925 with part cargo under this Clause freight shall in any case be payable on the  
1926 quantity delivered.  
1927 27.4. If at the time the Master elects to proceed with part or full cargo under  
1928 sub-clause 27.3, or after the Vessel has left the loading port, or the last of  
1929 the loading ports, if more than one, it appears that further performance of the  
1930 Contract will subject the Vessel, her Master and crew or her cargo, to war  
1931 risks, the cargo shall be discharged, or if the discharge has been com-  
1932 menced shall be completed, at any safe port in vicinity of the port of dis-  
1933 charge as may be ordered by the Charterers. If no such orders shall be re-  
1934 ceived from the Charterers within 48 hours after the Owners have des-  
1935 patched a request by telegram to the Charterers for the nomination of a  
1936 substitute discharging port, the Owners shall be at liberty to discharge the  
1937 cargo at any safe port which they may, in their discretion, decide on and  
1938 such discharge shall be deemed to be due fulfillment of the Contract. In the  
1939 event of cargo being discharged at any such other port, the Owners shall be  
1940 entitled to freight as if the discharge had been effected at the port or ports  
1941 named in the Bill(s) of Lading or to which the Vessel may have been ordered  
1942 pursuant thereto.  
1943 27.5.(a) The Vessel shall have liberty to comply with any directions or re-  
1944 commendations as to loading, departure, arrival, routes, ports of call, stop-  
1945 pages, destination, tonnage, waters, discharge, delivery or in any other wise  
1946 whatsoever (including any direction or recommendation not to go to the  
1947 port of destination or to delay proceeding thereto or to proceed to some  
1948 other port) given by any Government or by any belligerent or by any orga-  
1949 nized body engaged in civil war, hostilities or warfare operations or by any  
1950 person or body acting or purporting to act as or with the authority of any Gov-  
1951 ernment or belligerent or of any such organized body or by any committee  
1952 or person having under the terms of the war risks insurance on the Vessel,  
1953 the right to give any such directions or recommendations. If, by reason of  
1954 done or is not done, such shall not be deemed a deviation.  
1955 (b) If, by reason of or in compliance with any such directions or recommen-  
1956 dations, the Vessel does not proceed to the port or ports named in the Bill(s)  
1957 of Lading or to which she may have been ordered pursuant thereto, the Ves-  
1958 sel may proceed to any port as directed or recommended or to any safe port  
1959 to which the Owners in their discretion may decide on and there discharge the  
1960 cargo. Such discharge shall be deemed to be due fulfillment of the Contract  
1961 and the Owners shall be entitled to freight as if discharge had been effected  
1962 at the port or ports named in the Bill(s) of Lading or to which the Vessel may  
1963 have been ordered pursuant thereto.  
1964 27.6. All extra expenses including extra war risks insurance costs incurred  
1965 in performance of the transportation and discharging of the cargo at the  
1966 loading port or in reaching or discharging the cargo at any port as provided  
1967 in sub-clauses 27.4. and 27.5.(b) of this Clause shall be paid by the Char-  
1968 terers, and the Owners shall have a lien on the cargo for all sums due under  
1969 this Clause.  
1970  
1971 28. Limitation of Liability  
1972 Any provisions of this Contract to the contrary notwithstanding, the Owners  
1973 shall have the benefit of all limitations of, and exemptions from, liability ac-  
1974 cording to the Owners or chartered Owners of vessels by any applicable  
1975 statute or rule of law for the time being in force, and the same benefits to ap-  
1976 ply regardless of the form of signatures given to this Contract.  
1977  
1978 29. Interest  
1979 If any amounts due under this Contract are not paid when due, then interest  
1980 at the rate of 1.5% per month or pro rata for part of a month shall be paid on  
1981 all such amounts until payment is received.  
1982  
1983 30. Agency  
1984 Vessel shall be addressed to Owners' agents at port(s) of loading and dis-  
1985 charging.  
1986  
1987 31. Brokerage  
1988 The Owners shall pay a brokerage at the rate stated in Box 26 to the Brok-  
1989 er(s) mentioned in Box 26 on any freight, demurrage, mobilization fee, de-  
1990 mobilization fee and/or termination fee paid under this Contract.  
1991 If the full amounts as aforesaid are not paid owing to breach of this Contract  
1992 by either of the parties, the party liable therefor shall indemnify the Broker(s)  
1993 against his or their loss of brokerage.  
1994  
1995 32. Law and Arbitration  
1996 32.1. If agreed and stated in Box 27, this Contract shall be governed by Eng-  
1997 lish law and any dispute arising out of this Contract or Cargo Receipt or Eng-  
1998 non-negotiable bill of lading or any bill of lading to-  
1999 sued thereunder shall be referred to arbitration in London, one arbitrator  
2000 being appointed by each party, in accordance with the Arbitration Acts  
2001 1950 and 1979 or any statutory modification or re-enactment thereof for the  
2002 time being in force. On the receipt by one party of the nomination in writing  
2003 of the other party's arbitrator, that party shall appoint their arbitrator within  
2004 fourteen days, failing which the decision of the single Arbitrator appointed  
2005 shall apply. If two Arbitrators properly appointed shall not agree they shall  
2006 appoint an umpire whose decision shall be final.  
2007 32.2. If agreed and stated in Box 27, this Contract shall be governed by U.S.  
2008 law and any dispute arising out of this Contract or any bill of Lading issued  
2009 thereunder shall be arbitrated at New York in the following manner:  
2010 One arbitrator is to be appointed by each of the parties hereto and a third by  
2011 the two so chosen. Their decision or that of any two of them shall be final,  
2012 and for the purpose of enforcing any award, this agreement shall be made a  
2013 rule of the court. The Arbitrators shall be commercial men. Such Arbitration  
2014 is to be conducted in accordance with the rules of the Society of Maritime  
2015 Arbitrators, Inc., New York, as currently amended.  
2016 A sole arbitrator may be appointed, if so desired by both parties.  
2017 Either party may call for arbitration by service of notice upon the other. If the  
2018 other party does not appoint its arbitrator within fourteen days of such ser-  
2019 vice, then the first moving party shall have the right, without further no-  
2020 tice, to appoint a second arbitrator, with the same force and effect as if said  
2021 second arbitrator had been appointed by the other party.  
2022 32.3. If agreed and stated in Box 27, any dispute arising out of this Contract  
2023 or any bill of lading issued thereunder shall be referred to arbitration at the  
2024 place indicated in Box 27, subject to the law and procedures applicable  
2025 there.  
2026 32.4. If Box 27 is not filled in, sub-clause 32.1 of this Clause shall apply.  
2027 32.5. Indicate alternative 32.1, 32.2 or 32.3, as agreed in Box 27.

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Additional Clauses:

Referring to this contract no 2219 dated 9<sup>th</sup> February 2006 between Escopeta Oil & Gas Corporation, herewith referred to as Charterers and COSCO Shipping Company Limited, herewith referred to as Owners, the following has been agreed:

**Clause 33: Freight Payment**

The freight is payable as follows:

10% ten (10) banking days after signing the contract  
40% five (5) banking days after the arrival at loading location  
50% five (5) banking days prior arrival at discharge location before releasing the cargo receipt

Should the entire freight from Charterer's bank not have been received by Owners in time the Owners will have the right to postpone the discharge operation, standing-by, which time will be charged at the demurrage rate until the moment the freight has been received by Owners

**Clause 34: Transit Time**

Expected transit time given by owners for information purposes only: 48 days weather delay, engine breakdown, force majeure, Act of God, and sailing restriction(s) imposed by the nominated marine warranty surveyor excluded.

**Clause 35: Aft Buoyancy Casings**

The standard position of the buoyancy casings is in the aft position for float-on/float-off operations. Should charterers require the aft buoyancy casing to be shifted then time and cost to be for charterers account.

**Clause 36: Daily Position Reports**

Owners to provide Charterers with daily weather and voyage reports.

**Clause 37: Jones Act**

All Jones Act issues shall be addressed and sole responsibility of the Charterers. If any Jones Act issues arise, Charterers agree to discharge the Cargo in Canada or other port agreed upon by Owners and Charterers. Deviation, if any, to be for Charterers time and account

**Clause 38: Management approval**

This contract is subject to Charterers management approval by which must be given in writing to Owners no later than Wednesday, February 15<sup>th</sup> at 17:00 hours.

DSD  
K. J. J.

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## **EXHIBIT 2**

ADDENDUM NO 1  
TO  
TRANSPORTATION CONTRACT

DATED

9 FEBRUARY 2006

BETWEEN

COSCO SHIPPING COMPANY LIMITED ("THE OWNERS")

AND

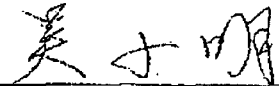
ESCOPETA OIL & GAS CORPORATION ("THE CHARTERERS")


With reference to the above mentioned Contract the Parties have today agreed as follows:

1. Box 7 Discharging port(s) and intended route from loading to discharge port - The Parties have agreed that the route between Sabine Pass, USA and Cookes Inlet, USA (subject Jones Act issue referred to in Clause 37 of contract) will be via the Cape of Good Hope.
2. Box 15 Freight - The Parties have agreed that the freight will be increased to USD \$4,710,000.00.

All other terms and conditions of the above mentioned Contract to remain unchanged.

Houston  
7 April 2006

  
Cosco Shipping Company Limited

  
Escopeta Oil & Gas Corporation  
4/25/06

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## **EXHIBIT 3**

Addendum #4 to BIMCO Heavycon contract #2219

DATED 9<sup>th</sup> February 2006

between

COSCO (HONG KONG) INVESTMENT & DEVELOPMENT CO., LTD ("THE OWNERS")

And

ESCOPEITA OIL & GAS CORPORATION ("THE CHARTERERS")

With reference to the above mentioned Contract, the Parties have today agreed as follows:

- 1) Change Box 10 (First Layday) - Delete "Loading window 1 ... 30 June 2006 as soon as reasonably possible directly after the Sable Transport deck clearing" and Add "Loading Window November 15, 2006 - December 1, 2006."
- 2) Change Box 11 (Cancelling date) - Delete "30<sup>th</sup> June 2006" and add "December 1, 2006"
- 3) Change Box 15 - Delete "U.S. \$4,310,000.00" and add "U.S. \$5,310,000.00 via Magellan Straights or U.S. \$5,710,000.00 via Cape of Good Hope to be declared by September 15, 2006"
- 4) Change Box 23 - Delete "75% of Freight in Box 15" and add "U.S. \$1,482,500.00 if via Magellan Straights or U.S. \$1,782,500.00 via Cape of Good Hope"
- 5) Change Box 28 - Delete "38" and Add "39" after "37"
- 6) Change Section 2.2 Line 176 - Delete "unless the delay was caused by Seipon UK in the Sable Project in which case the termination fee stated in Box 23 shall be paid by Charterers to Owners"
- 7) Delete Clause 38
- 8) Add Clause 39: Postponement & Demurrage Fee  
A postponement fee of U.S. \$2,500,000.00 and demurrage fee of U.S. \$125,000.00 (U.S. \$25,000.00 x 5 days) must be paid in full, less the U.S. \$431,000.00 already paid, to Owners by September 15, 2006. These fees are in addition to the freight mentioned in item 3 above.
- 9) Total amount due paid in full to COSCOI. by September 15, 2006 is USD 2,725,000.00. Any dollar amount not paid by September 15, 2006 will be subject to interest terms per clause 29 of the contract.
 

|    |                         |                                  |
|----|-------------------------|----------------------------------|
| \$ | 2,500,000.00            | (postponement fee)               |
| +  | 125,000.00              | (5 days demurrage)               |
| -  | 431,000.00              | (10% down on original freight)   |
| +  | 531,000.00              | (10% of new agreed upon freight) |
|    | <u>USD 2,725,000.00</u> |                                  |

The remaining freight of USD \$4,779,000.00 basis Magellan Straights or USD \$5,179,000 basis Cape of Good Hope will be paid as per original payment terms included in clause 33 of the contract.
- 10) Change "THE OWNERS" to COSCOI (HONG KONG) INVESTMENT & DEVELOPMENT CO., LTD on addendums 1 & 2.
- 11) Delete Addendum #3

All other terms and conditions of the above mentioned Contract and Addendums No. 1 and 2 to remain unchanged.

Houston July 21, 2006

COSCO (HK) Investment & Development Co., LTD. ("Owners")

ESCOPEITA OIL & GAS CORPORATION ("Charterers")

ESCOPEITA\_0005636

## **EXHIBIT 4**



Addendum #5 to BIMCO Heavycon contract #2219

DATED 9<sup>th</sup> February 2006

between

COSCOL (HONG KONG) INVESTMENT & DEVELOPMENT CO., LTD ("THE OWNERS")

And

ESCOBETA OIL & GAS CORPORATION ("THE CHARTERERS")

With reference to the above mentioned Contract, the Parties have today agreed as follows:

1) Delete item 1 of Addendum #4.

2) Change Box 10 (First Layday) - Delete "Loading window 1 - 30 June 2006 as soon as reasonably possible directly after the Sable Transport deck cleaning" and Add "Loading Window April 1, 2007 - April 30, 2007."

3) Delete item 2 of Addendum #4.

4) Change Box 11 (Cancelling date) - Delete "30<sup>th</sup> June 2006" and add "April 30, 2007".

5) Change item 3 of Addendum #4 - Delete "September 15, 2006" and Add "November 15, 2006".

6) Change Box 23 - Add "40" after "25".

7) Add Clause 40: Mobilization Fee

A Mobilization Fee of U.S. \$2,150,000.00, to cover expenses involved with mobilising ship from the Gulf of Mexico to Yantai, will be paid in full to Owners by October 20, 2006. This fee is in addition to the freight in Box 15, postmortgage fee plus interest, and demurrage already owed to Owners.

8) Delete item 9 of Addendum #4.

9) Total amount due paid in full by Charterers to Owners by October 20, 2006 is USD 4,915,875.00. If the total amount is not paid by October 20, 2006, Owners have the option to terminate the contract.

\$ 2,725,000.00 (as per item 9 of Addendum #4)  
+ 2,150,000.00 (Mobilization Fee)  
= 48,875.00 (1 month interest at 5.5% per month of USD 2,725,000.00)  
USD 4,915,875.00

The remaining freight of USD \$4,750,000.00 basis Magellan Straights or USD \$3,170,000.00 basis Cape of Good Hope will be paid as per original payment terms included in clause 33 of the contract.

All other terms and conditions of the above mentioned Contract and Addendums No. 1, 2, and 4 to remain in effect.

Houston, October 11, 2006

COSCOL (H.K.) Investment & Development Co., LTD. ("Owners")

ESCOBETA OIL & GAS CORPORATION ("Charterers")